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February 8, 1980

Mr. Carl F. Lipp, Manager
Plateau Operations
Minerals Recovery Corporation
Suite 304, 575 Union Blvd.
Lakewood, Colorado 80228

Dear Mr. Lipp:

I have reviewed your request of January 21, 1980 to proceed with certain work at the John Mine prior to the approval of your Notice of Intention.

Unfortunately the Division is not in a position to approve work on a proposed mine that involves the moving of overburden or earth material leading to mine development. The Act defines a "mining operation" as actions which would include development of the mine also.

As a general rule, and on a site specific basis, the Division may consider actions such as the hanging of water and air lines as you described in your letter as being necessary to evaluate the mine and necessary for safety reasons.

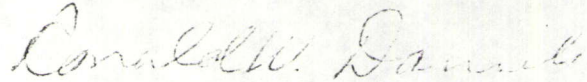
Your letter indicates that this mine is located in the NW $\frac{1}{4}$ of Section 36, Township 23 South, Range 12 East, Grand County, Utah. In checking with the Division of State Lands, I find that Section 36 is owned by the State of Utah and is not leased.

Mr. Carl F. Lipp
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Until this ownership question is answered the Division will take no action on your letter of January 21, 1980 or on your notice of intention to mine.

You indicated in the MR-1 Form that the ownership was leased claims on Section 1. Please clarify for us.

Sincerely,



RONALD W. DANIELS
COORDINATOR OF MINED
LAND DEVELOPMENT

RWD/sp

cc: John Blake, State Lands